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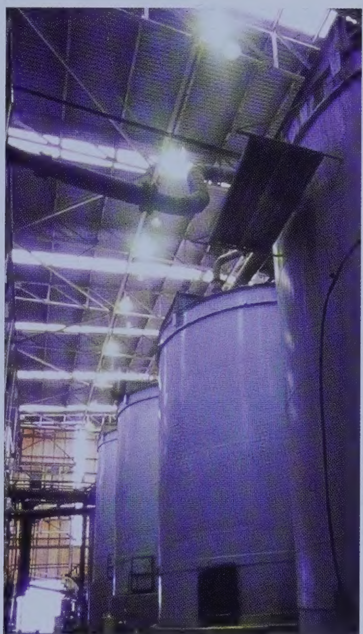

International Uranium Corporation

Annual Report

To Our Shareholders

We are pleased to report on some very exciting developments in the uranium market and in your Company. Over the past two years, due to the depressed uranium price, your Company has been focusing on the alternate feed business and maintaining its Mongolian and U.S. uranium assets on stand-by pending an increase in the uranium price. In the past six months, the price of uranium has increased over 40%, from $11.20 per pound at the end of July 2003 to over $15.00 per pound as of February, 2004. Uranium consumption is currently about 170 million pounds per year, with primary production contributing only about 95 million pounds of that amount. The difference is being made up from government programs, government stockpiles and market inventories. This market imbalance, where demand significantly exceeds primary production, has been evident for the last ten years. However, many uranium market analysts now believe that the industry is at or near the point where uranium from government programs, government stockpiles and inventories is becoming depleted and there is going to be a significant short fall in the supply of uranium. This has led many market analysts to conclude that further strengthening in the price of uranium could occur.

Given the recent increase in the price of uranium and the perceived long term improvement in the uranium market, your Company has increased its efforts to add premium uranium assets to its existing uranium portfolio, while maintaining its position in the alternate feed business.

Perhaps the most exciting of these assets is the Company's option to acquire a 75% interest in the Moore Lake uranium exploration project from JNR Resources Inc. ("JNR"). The Moore Lake project, considered to be one of the three best exploration projects in the world, is located in the Athabasca Basin region of northern Saskatchewan, Canada, which is presently the most prolific uranium exploration and mining area in the world. Three mines in the Athabasca Basin region, the McArthur River, McClean Lake and Eagle Point mines, currently account for about one-third of the world's primary uranium production. The Company, and its partner JNR, are currently carrying out an initial 5,000 meter drilling program which will be expanded pending the results of the first fifteen holes.

In addition to the Moore Lake project, the Company has also optioned a 75% interest in the Lazy Edward Bay project with JNR, and has entered into a letter of intent to option a 75% interest in the Crawford Lake project with Phelps Dodge Exploration (Canada) Limited. Both of these projects are also in the Athabasca Basin region. The Company and JNR have also been carrying out an aggressive staking campaign over the past three months in the area. As of the end of January, the Company has optioned or has a 100% interest in over 114,000 hectares in the Athabasca Basin region.

To assist and advise the Company on the acquisition, exploration and development of prospective uranium exploration properties in Canada, the Company has formed a Uranium Exploration Advisory Committee. Heading the committee is Dr. Klaus Lehnert-Thiel, P.Eng., P.Geo., an exploration geoscientist with over 30 years of progressive operations and management experience on uranium, gold, diamond and base metals projects, predominantly in Canada. Considered an expert in the uranium field, Dr. Lehnert-Thiel began his work in the Athabasca Basin of northern Saskatchewan in the late 1960's where he was in charge of large integrated exploration programs during the uranium exploration boom in the area following the discovery of the Rabbit Lake mine. In the early 1970's, Dr. Lehnert-Thiel joined Uranerz Exploration and Mining Limited and was part of the Key Lake discovery team. The other members of the committee are Ron Netolitzky and Rick Bailes. Ron and Rick bring a wealth of uranium exploration, Athabasca Basin, and economic geology experience to the team.

With the recent increases in the price of uranium, the Company is also evaluating the possibility of recommencing its uranium exploration and development program in Mongolia. The Gurvan Saihan Joint Venture, in which the Company has a 70% interest, holds over 1.0 million hectares in Mongolia and has identified mineral deposits to date containing 21.67 million pounds of uranium amenable to the in situ leach method of mining. The Company will also continue to monitor uranium and vanadium prices to determine if and when it would be viable to recommence mining activities on any of its U.S. uranium properties. Due to the higher cost of production at its U.S. mines, further increases in both uranium and vanadium prices above current levels will be required.

Your Company continued to put significant effort into the development of its alternate feed, uranium-bearing waste recycling business, which resulted in several alternate feed contracts and the formation of the Urizon Joint Venture with Nuclear Fuel Services, Inc. ("NFS"). In fiscal 2003, the Company processed over 266,000 tons of alternate feed material from four different sites. The mill run lasted almost twelve months and was completed without one lost time accident. Currently the Mill has approximately 39,000 tons of alternate feed material on the ore pad and an additional 5,900 tons of material, containing approximately 400,000 pounds of uranium, in stockpile at the Mill. The Company will be evaluating restarting the Mill to process both of these materials this year. The Linde project will continue to ship alternate feed materials to the Mill throughout the next fiscal year, and the Company will be receiving approximately 5,000 tons of alternate feed materials from another commercial processor. As well as the foregoing activity, the Company continues to pursue additional alternate feed contracts.

With respect to Urizon, NFS and the Company continued to develop this program over the year, with the completion of the preliminary technical program and the preparation of an application to amend the Company's license for the White Mesa Mill. In April, 2003, NFS submitted a proposal, on behalf of Urizon, to the U.S. Department of Energy ("DOE"), requesting funding for the processing of DOE materials under the Urizon program. These materials would have

resulted in the production of about 6.0 million pounds of uranium over a three year period. Unfortunately, the DOE informed Urizon that it was not prepared to accept the proposal at this time due to funding considerations and other DOE priorities. NFS and the Company are currently evaluating the feasibility of the Urizon program and investigating the potential for alternative commercial opportunities to move the program forward without government funding. In the interim, the Company will not be submitting its license amendment application until the path forward is further defined.

On the Moab project, where the Company is proposing to relocate an historic uranium mill tailings pile situated on the flood plain of the Colorado River near Moab, Utah to the White Mesa Mill using slurry pipeline technology, the DOE is progressing with the completion of an Environmental Impact Statement. This EIS will evaluate stabilizing the tailings in place, or relocating the tailings to one of three sites, including the Company's White Mesa Mill. The DOE has released its preliminary EIS to certain government and other interested agencies for comment and plans to issue the EIS for public comment in April of 2004. Although the White Mesa option is currently estimated by DOE to be the highest cost option, there are a number of factors that still need to be considered by the DOE, including the long term use of the pipeline, which the Company believes will make the White Mesa option competitive with the other options being considered by DOE.

Through the year, the Company continued to advance its precious and base metals exploration program in Mongolia. Initial regional field work generated several high ranking prospects, which led to refinement of the land position from 3.5 million hectares to 2.5 million hectares, to concentrate resources on the most prospective areas.

A 3,100 meter drill program was carried out on the Company's Tsagaan Tolgoi/Shiveen Gol precious and base metals project in northwest Mongolia. Results from this initial drilling include favorable geology with accessory mineralization and associated anomalous copper. Thick intersections of low-grade mineralization, as well as thin intercepts of high-grade copper and silver mineralization, were encountered. Results of gold exploration have also been encouraging, as extensive stream sediment anomalies have been defined, and high-grade vein systems were identified which justify follow up investigation. Elsewhere on its holdings, the Company has located large, discrete porphyry copper-gold targets that are ready for detailed site work followed by drilling. For the upcoming year the Company intends to maintain its Mongolian precious and base metals exploration effort at similar expenditure levels as last year, and is also evaluating opportunities to sell or joint venture all or a portion of these properties.

Financially, the position of the Company has improved significantly. In fiscal 2003, the Company had net earnings of $5,533,152, or $0.08 per share as compared to net earnings of $184,990 in 2002. The primary source of earnings was the processing of the significant inventories of alternate feed material that had been stockpiled at the Mill over the past four

years. Through this processing, the Company converted its deferred revenue liability into revenue, which improved the Company's balance sheet. In addition, the Company raised Cdn $12.25 million through the issuance of equity in the first quarter of fiscal 2004.

Even though the Company is in a stronger financial position than it was a year ago, management continues to reduce overhead expenditures. Upon the completion of the Mill run in June 2003, the Mill crew was reduced from 65 to 15 personnel. Typically, while the Mill is receiving feed material, there would be a workforce of 20 to 25. However, Mill personnel have developed more efficient procedures and work practices enabling the Company to reduce its workforce without impairing its ability to receive alternate feed materials or to prepare the Mill for the next Mill run. In addition to the changes at the Mill, the Company has also reduced its staffing at its Denver office significantly. To accomplish this, a number of functions have been moved to the Mill and to the Company's Vancouver office.

With the increases in the price of uranium and the acquisition by the Company of premium uranium exploration properties in Canada, together with the potential to recommence exploration and development activities on the Company's Mongolian uranium properties, this is truly an exciting time for the Company.

Finally, the Board, the management and the employees of IUC, would like to thank you, our shareholders, for your continued support.

On behalf of the Board,

Ron F. Hochstein
President and Chief Executive Officer

Management's Discussion and Analysis

The following discussion and analysis of the financial condition and results of operations for International Uranium Corporation ("IUC" or the "Company") for the fiscal year ended September 30, 2003 should be read in conjunction with the consolidated financial statements and accompanying notes. The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada. Note 16 of the consolidated financial statements provides a discussion of the differences between Canadian and United States accounting principles and practices affecting the Company.

Overview

IUC is incorporated under the Business Corporations Act (Ontario). The Company is engaged primarily in uranium exploration and in the business of recycling uranium-bearing waste materials, referred to as "alternate feed materials," for the recovery of uranium, alone or in combination with other metals, as an environmentally preferable alternative to the direct disposal of these waste materials. Alternate feed materials are generally ores or residues from other processing facilities that contain uranium in quantities or forms that can be recovered at the Company's White Mesa uranium mill (the "Mill"). In addition, the Company sells uranium recovered from these operations, as well as vanadium and other metals that can be produced as a co-product with uranium. The Company owns several uranium and uranium/vanadium mines in the U.S. that have been shut down pending further improvements in commodity prices. In addition, the Company is engaged in precious and base metals exploration in Mongolia.

Due to deterioration in commodity prices at the time and other factors, the Company ceased its uranium mining and exploration activities in 1999/2000, and shut down all of its mines and its Mongolian uranium joint venture indefinitely, pending significant improvements in commodity prices. During that time period, the Company focused its resources primarily on the continuing development of the alternate feed, uranium-bearing waste recycling business, and the Company initiated a precious and base metals exploration program in Mongolia. However, uranium prices have risen significantly in late fiscal 2003 and to date in fiscal 2004. As a result of these recent increases in uranium prices and improved market fundamentals, the Company acquired uranium exploration properties in the Athabasca Region of Saskatchewan, Canada, and commenced an exploration program on certain of those properties in early fiscal 2004. While the Company is currently evaluating the possibility of recommencing its uranium exploration program in Mongolia, further increases in both uranium and vanadium prices above current levels would be required in order for the Company to consider recommencing its U.S. mining activities since its U.S. mines have a higher cost of production.

In addition to its exploration programs, the Company intends to devote significant resources to the ongoing development of the alternate feed, uranium-bearing waste recycling business. The Company continues to expect that the development of the business of recycling uranium-bearing materials can continue to help offset Mill and mine standby costs, and, potentially, result in sustained profitable operations for the Company. While the Company has had considerable success to date in this initiative, and the alternate feed business has helped to offset Mill and mine standby costs, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company.

In the first quarter of fiscal 2003, the Company entered into a joint venture with Nuclear Fuel Services, Inc. ("NFS") for the pursuit of an alternate feed program for the Company's Mill. The joint venture is carried out through Urizon Recovery Systems, LLC, a 50/50 joint venture company.

Results of Operations

Fiscal 2003 versus Fiscal 2002

IUC recorded net income of $5,533,152 ($0.08 per share) for the year ended September 30, 2003, compared with net income of $184,990 (nil per share) for 2002. Results for 2003 included, mineral property write-downs of $118,081, a $579,926 gain on the sale of short-term investments, a $210,603 gain on the sale of land and equipment, and a $79,000 gain on the disposition of the "other asset." For 2002, results included asset write-downs of $155,334, a $288,409 gain on the sale of short-term investments, a gain of $29,174 from a decrease in Mill reclamation obligations, and an increase in the carrying value of the "other asset" of $261,000 to reflect current uranium prices. The "other asset" and the offsetting deferred credit represent a put option entered into in fiscal 1999, which granted a third party the option to put up to 400,000 pounds of uranium back to the Company at a price of $10.55 per pound, at any one time during the period of October 1, 2001 to March 31, 2003. On December 20, 2002, the third party exercised the put option. The Company negotiated a settlement and termination of the put option agreement for a payment of $280,000, which was equal to the value of the put option based on then current market conditions.

Revenues

Revenues for fiscal 2003 of $12,550,018 consisted primarily of process milling fees generated under the Company's alternate feed processing agreements. Revenues for fiscal 2003 increased $5,719,881 or 84% as compared to $6,830,137 in fiscal 2002. The increase was primarily due to the alternate feed mill run, which began during the third quarter of fiscal 2002, and was

completed on May 23, 2003. Alternate feed processing activities in fiscal 2003 consisted of the receipt, sampling, analysis and processing of Ashland 1, Linde, Heritage and Molycorp materials.

The Company receives a recycling fee for a majority of the alternate feed materials once they are delivered to the Mill. Fees are recorded as deferred revenue until the material is processed at which time they are recorded as revenue. In addition to the recycling fees, the Company will retain any uranium recovered from these materials, which can be sold in subsequent periods.

The Company continues to hold approximately 424,000 pounds of vanadium, as black flake, and approximately 144,000 pounds of vanadium, as vanadium pregnant liquor. Over the past six months, vanadium prices have improved and are currently trading in the range of $3.00 to $3.75 per pound V_2O_5. The Company will continue to evaluate opportunities to sell its inventory.

In addition to FUSRAP (Formerly Utilized Sites Remedial Action Program) material from the Linde site, the Company continues to receive deliveries of alternate feed materials from another uranium producer under a long-term arrangement. While the Company will not receive a processing fee for this particular alternate feed material, it will produce uranium from these materials, which will then be sold. As of September 30, 2003, there were approximately 5,900 tons of these materials at the Mill, containing approximately 396,700 lbs of uranium. Revenues from these materials will be recognized as recovered uranium is sold. Materials received from other uranium producers or private industry sources tend to be relatively high in uranium content but relatively small in volume as compared to FUSRAP materials.

	2003				
($000, except per share amounts)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Process milling revenue	4,274	4,818	3,281	42	12,415
Net income (loss)	2,266	2,545	1,126	(404)	5,533
Basic and diluted income (loss) per share	0.03	0.04	0.02	(0.01)	0.08

	2002				
($000, except per share amounts)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Process milling revenue	115	147	607	5,961	6,830
Net income (loss)	(1,133)	(1,146)	(1,763)	4,227	185
Basic and diluted income (loss) per share	(0.02)	(0.02)	(0.03)	0.06	-

Cost of Products and Services Sold

Process milling expenditures for fiscal 2003 of $4,671,199, which represent expenditures incurred receiving and processing alternate feed materials, increased $2,623,408 as compared to process milling expenditures of $2,047,791 for fiscal 2002. The increase was due to

approximately eight months of mill processing during fiscal 2003 versus approximately four months during fiscal 2002.

Approximately 51,200 tons of material was received during the fiscal year bringing the total received as of September 20, 2003 to over 302,400 tons from the Ashland 1, Linde, Heritage and Molycorp sites. As of September 30, 2003, approximately 35,700 tons of material remained in stockpile waiting to be processed during the next mill run. The timing of the next mill run will depend on a number of factors such as uranium price and the amount of materials that will have been received on site.

Mill Stand-by

Mill stand-by expenses consist primarily of payroll and related expenses for personnel, parts and supplies, contract services and other overhead expenditures required to maintain the Mill on stand-by status until a sufficient stockpile of alternate feed material has been accumulated to justify an efficient mill run. Mill stand-by expenditures were $738,730 for fiscal 2003 as compared to $2,136,389 for fiscal 2002. The decrease of $1,397,659 or 65% was primarily due to approximately four months of stand-by in fiscal 2003 versus eight months in fiscal 2002. Significant staff reductions at the end of the third quarter also contributed to the decrease in mill stand-by costs. Currently a crew of 15 management and maintenance personnel remains at the Mill. During the recently completed mill run, the Mill maintained an average of 64 employees to process its stockpile of alternate feed material.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, legal, contract services and other overhead expenditures. Selling, general and administrative expenses for fiscal 2003 were $2,622,131 as compared to $3,386,845 for fiscal 2002. The decrease of $764,714 or 23% was the result of decreased expenditures of $878,218 for legal fees associated with regulatory actions, and other related overhead cost decreases, offset by increases in Urizon expenditures of $113,504.

Exploration

During the second quarter of fiscal 2002, the Company initiated a precious and base metals exploration effort in Mongolia. This program is being funded 100% by the Company. As of September 30, 2003, the Company controlled 68 exploration licenses totaling 2.5 million hectares, 46 of these licenses are held 100% by the Company and 22 licenses are under a purchase option. Detailed field programs were initiated in the 2003 field season, including geologic mapping, geochemical sampling, and geophysical surveys. In addition, the Company

drilled approximately 3,100 meters on its Shiveen Gol project area in western Mongolia. Exploration property holdings are being refined as fieldwork results become available.

Total gross program expenditures, including capitalized exploration expenditures, for fiscal 2003 of $1,565,419 increased by $963,586 as compared to $601,833 in fiscal 2002. The increase was due to extensive exploration, including the drilling program on specific targets.

The Company also has a 70% interest in the Gurvan-Saihan Joint Venture in Mongolia. The other parties to the joint venture are the Mongolian government as to 15% and Geologorazvedka, a Russian geological concern, as to 15%. The joint venture holds 5 exploration licenses totaling 1 million hectares. This in-situ leach uranium project remained on stand-by during fiscal 2003.

Other Income and Expense

Net interest and other income for fiscal 2003 was $1,296,738 as compared to $916,780 for fiscal 2002. The increase of $379,958 was primarily the result of an increase in gains on the sale of short-term investments of $291,517 and an increase in income from the sale of land and equipment of $206,017. In addition, interest income decreased $89,155 due to a decrease in the average cash balances available for investment.

Results of Operations

Fiscal 2002 versus Fiscal 2001

IUC recorded net income of $184,990 (nil per share) for the year ended September 30, 2002, compared with a net loss of $2,822,876 ($0.04 per share) for 2001. Results for 2002 included, asset write-downs of $155,334, a $288,409 gain on the sale of short-term investments, a gain of $29,174 from a decrease in Mill reclamation obligations, and an increase to the carrying value of the "other asset" of $261,000 to reflect current uranium prices. For 2001, results included a charge of $300,663 for expenses associated with an increase in Mill reclamation obligations, a $361,177 gain on the sale of short-term investments, and an increase to the carrying value of the "other asset" of $760,000 to reflect current uranium prices.

Revenues

Revenues for fiscal 2002 of $6,830,137 consisted of process milling fees generated under the Company's alternate feed processing agreements. Revenues for fiscal 2002 increased $6,020,374 from $809,763 in fiscal 2001. The increase was due primarily to the commencement of the alternate feed mill run, which began on June 13, 2002.

Process milling fees for fiscal 2002 of $6,830,137 increased $6,067,907 as compared to process milling fees of $762,230 for fiscal 2001. Alternate feed processing activities in fiscal 2002 consisted primarily of the receipt, sampling and analysis of Ashland 1, Linde and Heritage materials and the processing of Ashland 1 materials. Approximately 37,000 tons of material was received during the fiscal year bringing the total received to over 251,100 tons from the Ashland 1, Linde and Heritage sites. The Mill processed approximately 88,300 tons of this material during fiscal 2002, leaving a stockpile of approximately 162,800 tons to be processed in fiscal 2003.

	2002				
($000, except per share amounts)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Process milling revenue	115	147	607	5,961	6,830
Net income (loss)	(1,133)	(1,146)	(1,763)	4,227	185
Basic and diluted income (loss) per share	(0.02)	(0.02)	(0.03)	0.06	-

	2001				
($000, except per share amounts)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Process milling revenue	276	246	153	87	762
Net income (loss)	(709)	(1,037)	(1,274)	197	(2,823)
Basic and diluted income (loss) per share	(0.01)	(0.02)	(0.02)	-	(0.04)

Cost of Products and Services Sold

Process milling expenditures for fiscal 2002 of $2,047,791, which represent expenditures incurred receiving and processing alternate feed materials, increased $1,280,830 as compared to process milling expenditures of $766,961 for fiscal 2001. The increase was due primarily to the start-up of the Mill in fiscal 2002. Expenditures incurred during fiscal 2002 for processing materials were $1,726,572 as compared to fiscal 2001 when the Company did not process any alternate feed materials. This increase in processing expenditures was partially offset by a lower volume of material received at the Mill during 2002 as compared to 2001. During fiscal 2002, the Company received 36,950 tons of Ashland 1, Linde and Heritage materials at a cost of $321,218 as compared to fiscal 2001 when the Company received 88,865 tons at a cost of $766,962. The decrease of 51,915 tons or 58% was due to a decline in Ashland 1 material, as the receipt of this material was then nearly complete.

Mill Stand-by

Mill stand-by expenses consist primarily of payroll and related expenses for personnel, parts and supplies, contract services and other overhead expenditures required to maintain the Mill on stand-by status until a sufficient stockpile of alternate feed material has been accumulated to justify an efficient mill run. Mill stand-by expenditures were $2,136,389 for fiscal 2002 as

compared to $2,675,090 for fiscal 2001. The decrease of $538,701 or 20% was due to approximately nine months of stand-by in fiscal 2002 versus twelve months in fiscal 2001. The decrease in costs due to the shorter duration of stand-by was partially offset by ramping up the number of personnel and additional expenditures preparing for the mill run, which began during the third quarter of fiscal 2002. The Mill added 42 additional employees in fiscal 2002 to process its stockpile of alternate feed material.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, legal, contract services and other overhead expenditures. Selling, general and administrative expenses for fiscal 2002 were $3,386,845 as compared to $2,222,478 for fiscal 2001, an increase of $1,164,367. The increase resulted primarily from increased expenditures for labor and professional services, insurance, and other related costs associated with the Company's vigorous efforts to expand its alternate feed, uranium-bearing waste recycling business, and increased expenditures associated with the Urizon Joint Venture, and the Moab Project.

Exploration

The Company initiated a precious and base metals exploration effort during fiscal 2002 in Mongolia. This program was funded 100% by the Company, and the Company holds a 100% interest in the lands that have been licensed for exploration. At the end of September 2002, the Company had acquired 23 exploration licenses totaling 1.6 million hectares. Additional exploration licenses were pending at the time. As of September 2002, activities had included land and data acquisition, geophysical and geochemical analysis and an extensive field program. Total program expenditures, including capitalized exploration expenditures, for fiscal 2002 were $601,833.

Other Income and Expense

Net interest and other income for fiscal 2002 was $916,780 as compared to $1,558,194 for fiscal 2001. The decrease of $641,414 was primarily the result of an increase of $256,505 in income from equipment sales offset by a decrease of $792,639 in interest income due to significantly lower interest rates paid on short-term investments and a decrease in the average cash balances available for investment.

Liquidity and Capital Resources

At September 30, 2003, the Company had cash and short-term investments of $4,729,039 and working capital of $7,294,884 as compared to cash and short-term investments of $9,759,946 and a working capital deficit of $82,136 at September 30, 2002. The increase of $7,377,020 in working capital was primarily the result of the Company's processing of alternate feed materials. As the alternate feed materials were processed, deferred revenue was recorded as revenue, which reduced current liabilities and assisted in the elimination of the Company's working capital deficit. Deferred revenue of $2,158,938, which is associated with approximately 35,700 tons of alternate feed material that remained in stockpile after completion of the 2002/2003 mill run and is not expected to be processed during the next 12 months, was accounted for as a long-term liability. The Company must continue to generate new sources of alternate feed material to maintain a positive working capital position.

Net cash used in operating activities was $4,396,379 for the fiscal year ended September 30, 2003 and consisted primarily of net income from continuing operations of $5,533,152, adjusted for non-cash items of depreciation of $617,554, offset by an increase in trade and other receivables of $1,184,340 reflecting increased receipts of alternate feed material as well as amounts due from Urizon. In addition, deferred revenues decreased by $8,740,256. Deferred revenues represent proceeds received or receivable on delivery of alternate feed materials but in advance of the required processing activity. As the Ashland 1, Linde, Heritage and Molycorp materials were processed; the deferred revenue was reclassified as revenue. The cost of processing these materials was recorded as process milling expenditures and the Company's cash position was decreased by the cost of processing.

Net cash provided by investment activities was $1,148,438 for the fiscal year ended September 30, 2003 and consisted primarily of proceeds from the sale of short-term investments of $3,559,403, offset by purchases of short-term investments of $996,675. Restricted investments decreased by $536,392, primarily reflecting the settlement and termination of the uranium concentrates sale and put option agreement entered into with a third party. A $1,000,000 bond that secured a portion of this transaction was released on January 15, 2003, which resulted in an equal reduction in restricted investments. This reduction in bonding was offset by interest income from restricted investments of $440,010. Exploration expenditures on mineral properties in Mongolia that were capitalized totaled $1,356,166 during fiscal 2003, and investment in intellectual property from Urizon was $750,000. Intellectual property represents the Company's 50% interest in Urizon's technology.

Net cash provided by financing activities during the fiscal year ended September 30, 2003 totaled $176,238 and consisted primarily of cash received from stock options exercised of

$468,924, offset by a cash payment of $280,000 to settle and terminate the put option entered into during fiscal 1999.

The Company believes that existing funds and cash flow from operations should be sufficient to satisfy its exploration activities, working capital requirements, commitments under the Urizon Joint Venture, and capital expenditures for the next twelve months. These funds have been supplemented by the issuance of additional equity amounting to gross proceeds of Cdn $12,250,000, in the first quarter of fiscal 2004.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles in Canada and the United States requires management to make estimates and assumptions regarding future events. These estimates and assumptions affect the reported amounts of certain assets and liabilities, and disclosure of contingent liabilities.

The most critical accounting principles upon which the Company's financial status depends are those requiring estimates of the timing and amount of future reclamation obligations and the recoverability of its capitalized mineral property expenditures.

On an ongoing basis, management re-evaluates its estimates and assumptions. However actual amounts could differ from those based on such estimates and assumptions. The Company's accounting policies are further described in Note 2 to the consolidated financial statements.

Contractual Obligations

Set out below are the Company's principal contractual obligations in the following categories:

(expressed in thousands of dollars)	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Operating lease obligations	$109	$291	$92	-
Reclamation obligations	-	12,321	-	-
	$109	$12,612	$92	$99

The reclamation obligations are fully bonded and the timing may be subject to change depending upon the Company's business objectives.

Environmental Responsibility

Each year, the Company reviews the anticipated costs of decommissioning and reclaiming its Mill and mine sites as part of its environmental planning process. The Company also formally reviews the Mill's reclamation estimate annually with the U.S. Nuclear Regulatory Commission. The Mill and mine reclamation estimates at September 30, 2003 are $12,320,983, which are currently expected to be sufficient to cover the projected future costs for reclamation of the Mill and mine operations. However, there can be no assurance that the ultimate cost of such reclamation obligations will not exceed the estimated liability contained in the Company's financial statements.

The Company has posted bonds as security for these liabilities and has deposited cash, cash equivalents, and fixed income securities as collateral against these bonds. For fiscal 2003 and 2002, the amount of these restricted investments collateralizing the Company's reclamation obligations was $12,106,947 and $11,666,937, respectively. The increase of $440,010 was due to interest income from these investments.

As mentioned in previous reports, the Company had detected some chloroform contamination at the Mill site that appeared to have resulted from the operation of a temporary laboratory facility that was located at the site prior to and during the construction of the Mill facility, and from septic drain fields that were used for laboratory and sanitary wastes prior to construction of the Mill's tailings cells. In April 2003, the Company commenced an interim remedial program of pumping the chloroform-contaminated water from the groundwater to the Mill's tailings cells. This will enable the Company to begin clean up of the contaminated areas and to take a further step towards resolution of this outstanding issue. Although the investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of remediation have not yet been determined and could be significant.

Research and Development

The Company does not have a research and development program per se. Process development efforts expended in connection with processing alternate feeds are included as a cost of processing. Process development efforts expended in the evaluation of potential alternate feed materials that are not ultimately processed at the Mill are included in Mill overhead costs. The Company does not rely on patents or technological licenses in any significant way in the conduct of its business.

Trend Information

During the period 1997 through 2000, the Company saw a deterioration in both uranium and vanadium prices, from $11.00 per pound of U_3O_8 and $4.10 per pound of V_2O_5 in October 1997 to $7.40 per pound of U_3O_8 and $1.70 per pound of V_2O_5 at the end of September, 2000. As a result of these decreases in commodity prices, the Company decided to cease its uranium and uranium/vanadium mining and exploration activities in 1999, and has shutdown all of its uranium and uranium/vanadium mines and its Mongolian Gurvan-Saihan Joint Venture. Also as a result of these market events, the Company decided to marshal its resources and to concentrate its operations primarily on the continuing development of the alternate feed, uranium-bearing waste recycling business. Although uranium prices have increased to $15.50-$15.60 per pound U_3O_8 as of February 12, 2004, and vanadium is currently trading in the range of $3.00 to $3.75 per pound V_2O_5, prices are still too low to justify the operation of the Company's U.S. mines given their higher cost of production. However, with these higher uranium prices, the Company is evaluating restarting development of its Gurvan-Saihan Joint Venture. In addition, the Company acquired additional uranium exploration properties in Canada in fiscal 2004 and has commenced an aggressive exploration program on certain of those properties.

Although the Mill's tailings system currently has capacity to process all of the alternate feed materials under contract with the Company, this capacity is expected to run out within the next one to three years, depending on the level of success of the Company in entering into contracts for the processing of additional feed materials. In order to provide additional tailings capacity, the Company will have to repair existing tailings Cell No. 4A, at an estimated cost of $1.5-$3.0 million. In addition, if Cell No. 4A is put into use, the reclamation obligation for the Mill would increase by approximately $1.0 million, which would require an increase in the Mill's reclamation bond by that amount. The repair of Cell No. 4A will provide the Company with approximately 2 million tons of additional tailings capacity, which should be ample capacity for the foreseeable future.

Outlook for 2004

With the recent increases in uranium price and the improvement in uranium market fundamentals, the Company will be putting more focus on acquisition and development of world-class uranium projects, including its Canadian exploration properties, while also continuing to aggressively pursue additional alternate feed material for the White Mesa Mill.

Revenues for fiscal 2004 will depend on the timing and length of the next mill run and the decision by management to sell uranium and vanadium from inventories. Currently, the Company is performing confirmatory test work for a potential mill run later in the year, in which three alternate feed materials, which have uranium grades ranging from 2% to 10%, would be

processed. In addition to these materials, the Company anticipates continuing to receive alternate feed materials from the Linde FUSRAP site throughout the year, as well as approximately 5,000 tons of material from a commercial generator. With respect to the Urizon project, the Company and its joint venture partner, Nuclear Fuel Services, Inc., are investigating alternative commercial arrangements, and re-evaluating the feasibility of the project, as a result of the Department of Energy's recent decision not to fund the program at this time.

To reduce overhead and stand-by expenditures, the Company has reduced the White Mesa Mill staff from a typical stand-by crew of 20 to 25 personnel to 15 personnel. At its Denver office, the Company has reduced staffing and relocated some functions to the White Mesa Mill and to its office in Vancouver, B.C.

With higher uranium prices, the Company is evaluating restarting activity in Mongolia on its Gurvan-Saihan Joint Venture. With respect to the U.S. uranium/vanadium mines, however, the Company intends to maintain those assets on stand-by pending further increases in uranium and vanadium prices, at which time the Company would study the feasibility of re-opening some of these mine sites.

The Company will continue to pursue its precious and base metals program in Mongolia on a limited basis, with the goal to identify potential joint venture partners to provide additional funding for the exploration programs or to potentially sell the properties.

Risks and Uncertainties

Under the NRC's Alternate Feed Guidance, the Mill is required to obtain a specific license amendment allowing for the processing of each new alternate feed material. Various third parties have challenged certain of the Mill's license amendments, although none of such challenges have been successful to date. The Company intends to continue to defend its positions and the validity of its license amendments and proposed license amendments. If the Company does not ultimately prevail in any such actions and any appeals therefrom, the Company's ability to process certain types of alternate feeds, in certain circumstances, may be adversely affected, which could have a significant impact on the Company.

Exploration for and development of mineral properties involve significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities at a site, developing metallurgical processes and extracting uranium and other metals from ore. It is impossible to ensure that the

current exploration programs of the Company will result in profitable commercial mining operations.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere in this Annual Report to Shareholders constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration activities and other operating and development risks, competition, environmental regulations, reliance on alternate feed income, the ability to develop the alternate feed business, changes to reclamation requirements, dependence on a limited number of customers, volatility and sensitivity to market prices for uranium and vanadium, the impact of changes in foreign currencies' exchange rates, political risk arising from operating in Mongolia, changes in government regulation and policies including trade laws and policies, demand for nuclear power, replacement of reserves and production, receipt of permits and approvals from governmental authorities (including amendments for each alternate feed transaction).

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by and are the responsibility of The Board of Directors and Management of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada which have been reconciled to accounting principles generally accepted in the United States as set out in Note 16, and where appropriate, reflect management's best estimates and judgments based on currently available information.

The Audit Committee of the Board of Directors, consisting of 3 members, meets periodically with management and the Company's auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The Company has developed and maintains a system of control to provide reasonable assurance that financial information is accurate and reliable.

The Company's independent auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct an audit in accordance with Canadian and United States generally accepted auditing standards, and their report follows.

Ron F. Hochstein
President and
Chief Executive Officer

David C. Frydenlund
Vice President and
Chief Financial Officer

November 14, 2003

Auditors' Report
To the Shareholders of
International Uranium Corporation

We have audited the consolidated balance sheets of International Uranium Corporation as at September 30, 2003 and 2002 and the consolidated statements of operations and deficit and cash flows for the years ended September 30, 2003, 2002 and 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Canada and the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at September 30, 2003 and 2002 and the results of its operations and its cash flows for the years ended September 30, 2003, 2002 and 2001 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, B.C., Canada

November 14, 2003 (except as to Note 17, which is as of January 8, 2004)

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED BALANCE SHEETS
(United States Dollars)

	At September 30, 2003	At September 30, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,639,079	$ 6,710,782
Short-term investments	1,089,960	3,049,164
Trade and other receivables	833,038	99,850
Inventories (Note 3)	1,761,368	1,720,952
Prepaid expenses and other	382,488	368,435
Due from Urizon Joint Venture (Note 4)	451,152	-
Other asset (Note 8)	-	3,861,000
	8,157,085	15,810,183
Plant and equipment, net (Note 5)	2,825,238	3,363,253
Mongolia mineral properties (Note 6)	1,776,982	538,897
Intangible asset (Note 4)	750,000	-
Restricted investments (Note 7)	12,106,947	12,666,937
	$ 25,616,252	**$ 32,379,270**
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 847,729	$ 762,883
Notes payable	14,472	10,242
Deferred revenue	-	10,899,194
Deferred credit (Note 8)	-	4,220,000
	862,201	15,892,319
Notes payable, net of current portion	51,052	43,548
Reclamation obligations (Note 9)	12,320,983	12,320,983
Deferred revenue	2,158,938	-
Other long-term liability (Note 4)	98,582	-
	15,491,756	28,256,850
SHAREHOLDERS' EQUITY		
Share capital (Note 10)		
Issued and outstanding (68,970,066 and 65,735,066 shares)	37,935,533	37,466,609
Deficit	(27,811,037)	(33,344,189)
	10,124,496	4,122,420
	$ 25,616,252	**$ 32,379,270**

Contingency (Note 14)
Subsequent events (Note 17)

On behalf of the Board

Ron F. Hochstein, Director

Lukas H. Lundin, Director

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(United States Dollars)

	Years Ended September 30, 2003	2002	2001
OPERATIONS			
Revenue			
Vanadium sales	$ -	$ -	$ 47,533
Process milling	12,415,001	6,830,137	762,230
Engineering services (Note 13(d))	135,017	-	-
Total revenue	12,550,018	6,830,137	809,763
Costs and expenses			
Vanadium cost of sales	-	-	22,108
Process milling expenditures	4,671,199	2,047,791	766,961
Mill stand-by expenditures	738,730	2,136,389	2,675,090
Selling, general and administrative	2,622,131	3,386,845	2,222,478
Exploration general	209,253	62,936	-
Write-down of inventories (Note 3)	-	155,334	-
Write-down of mineral properties (Note 6)	118,081	-	-
Change in market value of other asset (Note 8)	(79,000)	(261,000)	(760,000)
Change in reclamation obligations	-	(29,174)	157,663
Depreciation	33,210	62,806	106,533
	8,313,604	7,561,927	5,190,833
Income (loss) before the undernoted items	4,236,414	(731,790)	(4,381,070)
Other income (expense)			
Gain (loss) on sale of land and equipment	210,603	4,586	(143,929)
Gain on sale of short-term investments	579,926	288,409	361,177
Net interest and other income	506,209	623,785	1,340,946
Net income (loss) for the year	5,533,152	184,990	(2,822,876)
Basic and diluted income (loss) per share (Note 10)	$ 0.08	$ -	$ (0.04)
Basic weighted average number of shares outstanding	67,011,765	65,652,998	65,542,943
DEFICIT			
Deficit, beginning of year	(33,344,189)	(33,529,179)	(30,706,303)
Net income (loss) for the year	5,533,152	184,990	(2,822,876)
Deficit, end of year	**$ (27,811,037)**	**$ (33,344,189)**	**$ (33,529,179)**

INTERNATIONAL URANIUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(United States Dollars)

	Years Ended September 30,		
	2003	2002	2001
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Net income (loss) for the year	$ 5,533,152	$ 184,990	$ (2,822,876)
Items not affecting cash			
Depreciation	617,554	813,050	872,307
(Gain) loss on sale of land and equipment	(210,603)	(4,586)	143,929
Gain on sale of short-term investments	(579,926)	(288,409)	(361,177)
Write-down of inventories	-	155,334	-
Gain on disposition of other asset	(79,000)	-	-
Gain in market value of other asset	-	(261,000)	(760,000)
(Decrease) increase in reclamation liabilities	-	(29,174)	157,663
Write-down of mineral properties	118,081	-	-
Forgiveness of notes receivable	-	200,000	-
Changes in non-cash working capital items			
(Increase) decrease in trade and other receivables	(1,184,340)	1,450,388	892,826
(Increase) decrease in inventories	(40,416)	10,269	26,983
(Increase) decrease in other current assets	(14,053)	(162,525)	50,778
Increase (decrease) in other accounts payable and accrued liabilities	183,428	355,493	(248,662)
(Decrease) increase in deferred revenue	(8,740,256)	(4,166,921)	5,786,113
Net cash (used in) provided by operations	**(4,396,379)**	**(1,743,091)**	**3,737,884**
INVESTING ACTIVITIES			
Purchase of properties, plant and equipment	(74,616)	(215,554)	(78,151)
Mongolia mineral properties	(1,356,166)	(538,897)	-
Purchase of intangible asset	(750,000)	-	-
Proceeds from sale of surplus equipment and land	230,100	40,964	41,907
Purchase of short-term investments	(996,675)	(752,626)	(13,070,658)
Proceeds from sale of short-term investments	3,559,403	9,679,079	1,744,627
Decrease (increase) in restricted investments	536,392	(2,141,864)	(1,654,084)
Net cash provided by (used in) investment activities	**1,148,438**	**6,071,102**	**(13,016,359)**
FINANCING ACTIVITIES			
(Increase) decrease in notes payable	(12,686)	31	(16,592)
Settlement of other asset	(280,000)	-	-
Exercise of stock options	468,924	17,396	9,811
Net cash provided by (used in) financing activities	**176,238**	**17,427**	**(6,781)**
(Decrease) increase in cash and cash equivalents	(3,071,703)	4,345,438	(9,285,256)
Cash and cash equivalents, beginning of year	6,710,782	2,365,344	11,650,600
Cash and cash equivalents, end of year	**$ 3,639,079**	**$ 6,710,782**	**$ 2,365,344**

1. Organization and Nature of Operations

International Uranium Corporation ("IUC" or the "Company") is incorporated under the Business Corporations Act (Ontario). The Company is engaged primarily in uranium exploration and in the business of recycling uranium-bearing waste materials, referred to as "alternate feed materials," for the recovery of uranium, alone or in combination with other metals, as an environmentally preferable alternative to the direct disposal of these waste materials. Alternate feed materials are generally ores or residues from other processing facilities that contain uranium in quantities or forms that can be recovered at the Company's White Mesa uranium mill (the "Mill"). In addition, the Company sells uranium recovered from these operations, as well as vanadium and other metals that can be produced as a co-product with uranium. The Company owns several uranium and uranium/vanadium mines in the U.S. that have been shut down pending further improvements in commodity prices. The Company is also engaged in precious and base metals exploration in Mongolia.

The Company intends to continue to devote significant resources to the development of the alternate feed, uranium-bearing waste recycling business. The Company expects that the development of the business of recycling uranium-bearing materials can continue to help offset Mill and mine standby costs, and, potentially, result in sustained profitable operations for the Company. While the Company has had considerable success to date in this initiative, and the alternate feed business has helped to offset Mill and mine standby costs, the Company has not to date developed a sufficient backlog of alternate feed business to result in sustained profitable operations for the Company solely from this business. Developing this backlog will continue to be a major focus of the Company.

In the first quarter of fiscal 2003, the Company entered into a joint venture with Nuclear Fuel Services, Inc. ("NFS") for the pursuit of a long-term alternate feed program for the Company's Mill. The joint venture is carried out through Urizon Recovery Systems, LLC, a 50/50 joint venture company.

2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Differences from United States generally accepted accounting principles, which would have a significant impact on these financial statements, are disclosed in Note 16.

a. Basis of consolidation

The consolidated financial statements include the accounts of its wholly owned subsidiaries, International Uranium Holdings Corporation, International Uranium (Bermuda I) Ltd., International Uranium (Bermuda II) Ltd., International Uranium Company (Mongolia) Ltd., and International Uranium (USA) Corporation, and on a proportionate consolidation basis, Urizon Recovery Systems, LLC.

b. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in these financial statements and notes thereto. Actual results could differ from those estimated.

c. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short term money market instruments with maturities at the date of purchase of three months or less.

d. Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and the respective income tax basis of assets and liabilities (temporary differences). The resulting changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the substantive enactment date. Future income tax assets are evaluated and if realization is not considered to be "more likely than not," a valuation allowance is provided.

e. Investments

Investments are valued at the lower of cost and market value except for restricted fixed income securities, which are to be held to maturity and are recorded at amortized cost. Investments are written down to reflect an other than temporary impairment.

Investments in joint ventures are accounted for using the proportionate consolidation method. Under this method, the Company's proportionate share of joint venture revenues, expenses, assets and liabilities is included in the accounts.

f. Inventories

In-process inventories, which consist of partially processed uranium and vanadium bearing ores, and uranium and vanadium concentrates are valued at the lower of cost and net realizable value using the first-in, first-out method. Consumable parts and supplies are valued at the lower of weighted average cost and replacement cost.

g. Plant and equipment

Plant and equipment are recorded at the lower of cost and net recoverable amount. Plant and equipment are depreciated on a straight-line basis over their estimated useful lives from three to fifteen years. Plant and equipment placed on stand-by are depreciated over their remaining lives. Plant and equipment held

for resale are recorded at the lower of cost and net realizable value. Gains or losses from normal sales or retirements of assets are included in other income or expense.

h. Exploration properties

Mineral exploration costs are capitalized as incurred. When it is determined that a mineral property can be economically developed, the cost of the property and the related exploration expenditures are amortized using the unit-of-production method over the estimated life of the ore body. When a project is determined to be unsuccessful, the mining property and the related exploration expenditures are written down to their net recoverable amount.

i. Asset impairment

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment loss is measured as the amount by which asset-carrying value exceeds net recoverable amount. Net recoverable amount is generally determined using estimated undiscounted future cash flows. An impairment is considered to exist if total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset. An impairment loss is measured and recorded based on undiscounted estimated future cash flows. Future cash flows are determined by subtracting production and capital costs from estimated revenues. Estimated revenues are based on estimated uranium and vanadium prices (considering current and historical prices, price trends and related factors), estimates of the pounds of uranium and vanadium to be produced, and estimated recycling fees from alternate feed materials. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between significant assumptions used and actual market conditions and/or the Company's performance could have a material effect on the Company's financial position and results of operations.

j. Environmental protection and reclamation costs

Effective October 1, 2002, the Company adopted the new standard of the Canadian Institute of Chartered Accountants ("CICA") relating to asset retirement obligations. Under this new standard, asset retirement obligations are recognized when incurred and recorded as liabilities at fair value. Under the standard, the liability is accreted over time through periodic charges to earnings.

The implementation of this standard was not material to the Company.

k. Foreign currency translation

These consolidated financial statements are denominated in United States dollars, the Company's functional currency. Substantially all of the Company's assets and operations are located in the United States, with the exception of the mineral exploration properties in Mongolia and Canada. The majority of its costs are denominated in United States dollars.

Amounts denominated in foreign currencies are translated into United States dollars as follows:

a. monetary assets and liabilities at the rates of exchange in effect at balance sheet dates;

b. non-monetary assets at historical rates;

c. revenue and expense items at the average rates for the period.

The net effect of the foreign currency translation is included in the statement of earnings.

l. Basic and diluted earnings per share

Earnings or loss per share are presented for basic and diluted net income (loss). Basic earnings per share are computed by dividing net income or loss by the weighted average number of outstanding common shares for the year. The Company follows the "treasury stock" method in the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should "in the money" options be exercised and the proceeds used to repurchase common shares at the weighted average market price in the period.

m. Revenue recognition

Vanadium sales are recorded in the period that title passes to the customer along with the risks and rewards of ownership.

Process milling fees are recognized as the applicable material is processed, in accordance with the specifics of the applicable processing agreement.

Deferred revenues represent processing proceeds received or receivable on delivery of materials but in advance of the required processing activity.

n. Stock options

The Company has a stock option plan which is described in Note 10(c).

Effective October 1, 2002, the Company adopted the new accounting standard for stock-based compensation. The new standard covers the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. The standard sets out a fair value-based method of accounting that is required for certain, but not all, stock-based transactions. The fair value method must be applied to all stock-based payments to non-employees. However, the new standard permits the Company to continue its existing policy that no compensation cost is recorded on the granting of stock options to employees and directors as the exercise price is equal to or greater than the market price at the date of the grant. Consideration paid on exercise of the stock options is credited to capital stock. The standard also requires additional disclosures for options granted to employees and directors, including disclosure of pro forma earnings and pro forma earnings per share as if the fair value-based accounting method had been used to account for employee stock options (Note 10c).

o. Intangible Assets

Intangible assets consist of technological licenses and are amortized over the estimated useful life of the license.

p. Reclassifications

Certain amounts reported in prior years have been reclassified to conform to the 2003 presentation.

3. Inventories

	2003	2002
Vanadium concentrates	$838,474	$828,062
In process	70,242	20,450
Parts and supplies	852,652	872,440
	$1,761,368	$1,720,952

In fiscal 2002, the Company wrote-down the carrying value of its chemical reagents by $155,334 due to the extended duration of mill stand-by.

4. Urizon Joint Venture

On October 18, 2002, the Company entered into a joint venture with Nuclear Fuel Services, Inc. for the pursuit of an alternate feed program for the Company's Mill. The joint venture is carried out through Urizon Recovery Systems, LLC, a 50/50 joint venture company. The Company contributed $1,500,000 in cash together with its technology license. NFS contributed its technology license.

Pursuant to the Urizon operating agreement, each member must provide services as specified therein and charge Urizon for such services. Depending upon the type of services provided by the members, Urizon reimburses such services to the members either currently when charged or in the future out of available distributable cash after certain profit and funding conditions have been satisfied. The intellectual property represents the Company's 50% interest in Urizon's technology.

The results of Urizon have been included in the consolidated accounts of the Company on a proportionate basis from the date of acquisition.

Following are condensed balance sheet and income statements reflecting IUC's interest in the Urizon joint venture.

	2003
Current assets	$710,836
Other assets	$750,000
Current liabilities	$237,982
Long term debt	$98,582
Operating loss	($827,282)
Cash flows from operating activities	($39,242)

The joint venture has no cash flows arising from investing or financing activities.

5. Plant and Equipment

	Cost	Accumulated Depreciation	2003 Net
Mill buildings and equipment	$6,965,816	$4,546,437	$2,419,379
Other machinery and equipment	1,072,879	667,020	405,859
	$8,038,695	$5,213,457	$2,825,238

	Cost	Accumulated Depreciation	2002 Net
Mill buildings and equipment	$6,908,150	$3,989,793	$2,918,357
Other machinery and equipment	1,117,780	672,884	444,896
	$8,025,930	$4,662,677	$3,363,253

During fiscal 1999 the Company placed its mining operations on stand-by. At September 30, 2003 and September 30, 2002, capital assets include other machinery and equipment held for resale with an aggregate net book value (being the estimated net realizable value) of $376,285 and $401,937, respectively. These surplus assets are expected to be sold over time as opportunities for sale arise, and the actual proceeds to be realized on the sale of the surplus assets could vary from the carrying value.

6. Mongolia Mineral Properties

Mongolia mineral properties are currently made up of the Company's interest in precious and base metals exploration areas in Mongolia. Amounts capitalized during the year include costs related to acquisition of land interests, review of geological data and satellite imagery, drilling, collection of samples and lab analysis. An analysis by project is shown below:

	2002 Net	2003 Expenditures	Write-downs	2003 Net
Shiveen Gol	$46,775	$765,332	-	$812,107
Tsagaan Tologoi	57,742	116,921	-	174,663
Burkheer Khar	19,756	52,934	-	72,690
Erdenet	65,461	116,666	(113)	182,014
Huvsgol	42,180	86,094	(4,500)	123,774
Ulziit	8,761	35,224	-	43,985
Chandman Uul	36,498	4,130	(40,628)	-
Bayan Uul	60,081	1,000	(61,081)	-
Gants Modot	-	46,329	-	46,329
Other Exploration Costs	201,643	131,536	(11,759)	321,420
	$538,897	$1,356,166	($118,081)	$1,776,982

7. Restricted Investments

The Company has placed cash and fixed income securities on deposit to secure its reclamation bonds and certain other obligations (Notes 8 and 9).

	2003	2002
Cash and cash equivalents	$2,177,688	$3,297,063
Fixed income securities	9,929,259	9,369,874
	$12,106,947	$12,666,937

8. Other Asset

On September 13, 1999 the Company entered into a uranium concentrates sale and put option agreement with a third party. The Company transferred 400,000 pounds U_3O_8 at a purchase price of $10.80 per pound U_3O_8 under this agreement giving the third party the option to put up to an equivalent quantity to the Company at $10.55 per pound U_3O_8 at any one time within the period beginning October 1, 2001 and ending March 1, 2003. The transaction was accounted for as a financing and the cost of the inventory was reclassified as an other asset. Restricted investments (Note 7) collateralized a portion of the transaction.

The carrying amount of the other asset was adjusted to the lower of cost or market value at the balance sheet date. Changes in market value were reflected in the statement of operations. In fiscal 2001, as a result of an increase in the uranium market price, the other asset was increased from $7.10 to $9.00 per pound U_3O_8 resulting in a gain of $760,000. In fiscal 2002, as a result of an increase in the uranium market price, the other asset was increased from $9.00 to $9.75 per pound U_3O_8 net of any estimated costs to sell, resulting in a gain of $261,000.

On December 20, 2002, the third party exercised the put option. The Company negotiated a settlement and termination of the put option agreement with a payment of $280,000. This resulted in a gain of $79,000.

9. Provisions for Reclamation

Estimated future decommissioning and reclamation costs of the Mill and mining properties have been determined based on engineering estimates of the costs of reclamation, in accordance with legal and regulatory requirements. These cost estimates are reviewed periodically by applicable regulatory authorities, and, in the case of the Mill, are reviewed and adjusted annually by the United States Nuclear Regulatory Commission ("NRC") as appropriate, to accurately reflect the estimated costs of reclamation.

The Company has posted bonds (secured by cash and fixed income securities) in favor of the NRC and the applicable state regulatory agencies as partial collateral for these liabilities and has deposited fixed income securities on account of these obligations (Note 7).

There have been no changes to the reclamation cost estimate or bonding requirement during the fiscal year.

Applicable regulations require the Company to estimate reclamation costs on the assumption that the reclamation would be performed at any time by a third party contractor and the reclamation cost estimate required by regulatory authorities is calculated on an undiscounted basis. Management estimates that, once a decision is made to commence reclamation activities, substantially all the reclamation activities could be completed in approximately 24 – 30 months.

Elements of uncertainty in estimating reclamation and decommissioning costs include potential changes in regulatory requirements, decommissioning and reclamation alternatives. Actual costs may differ from those estimated and such differences may be material.

10. Share Capital

a. Authorized - unlimited number of common shares.

b. Issued and outstanding

Shares

	2003	2002	2001
Beginning of year	65,735,066	65,600,066	65,525,066
Employee stock options exercised	3,235,000	135,000	75,000
End of year	68,970,066	65,735,066	65,600,066

Amount

	2003	2002	2001
Beginning of year	$37,466,609	$37,449,213	$37,439,402
Employee stock options exercised	468,924	17,396	9,811
End of year	$37,935,533	$37,466,609	$37,449,213

c. Stock options

The Company has adopted a stock option plan under which the Board of Directors may from time to time grant to directors, officers, key employees and consultants of the Company, options to purchase shares of the Company's common stock. These options are intended to advance the interests of the Company by providing eligible persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company. Options granted under the share option plan have an exercise price equal to the fair market value of such shares on the date of grant. All outstanding options granted to date vest immediately and expire three years from the date of the grant of the option.

Stock option transactions were as follows:

	2003	2002	2001
Beginning of year	4,055,000	4,370,000	4,280,000
Granted	250,000	495,000	200,000
Exercised	(3,235,000)	(135,000)	(75,000)
Expired	(400,000)	(675,000)	(35,000)
End of year	670,000	4,055,000	4,370,000

Weighted average exercise prices per share were as follows:

	2003	2002	2001
Beginning of year	Cdn $0.25	Cdn $0.32	Cdn $0.32
Granted	Cdn $0.31	Cdn $0.32	Cdn $0.26
Exercised	Cdn $0.20	Cdn $0.20	Cdn $0.20
Expired	Cdn $0.57	Cdn $0.75	Cdn $0.20
End of year	Cdn $0.32	Cdn $0.25	Cdn $0.32

Stock options outstanding and exercisable as of September 30, 2003 were as follows:

	Options Outstanding and Exercisable	
Number Outstanding	Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share
300,000	1.25	Cdn $0.30
250,000	2.03	Cdn $0.31
120,000	0.72	Cdn $0.37
670,000	1.44	Cdn $0.32

Outstanding options expire between June 2004 and October 2005.

Effective October 1, 2002, the Company adopted the new accounting standard for stock based compensation. For income statement purposes the Company has elected not to follow the fair value method of accounting for stock options granted to employees and directors. Accordingly, no compensation expense is recorded on the grant of stock options to employees and directors as the exercise price is equal to the market price at the date of grant. Had the Company followed the fair value method of accounting, the Company would have recorded a compensation expense of $35,751 in respect of its employee and director stock options. Pro forma earnings information determined under the fair value method of accounting for stock options are as follows:

	Year Ended September 30, 2003
Net earnings as reported	$5,533,152
Compensation expense	($35,751)
Pro forma	$5,497,401

Basic and diluted earnings per share:	
As reported	$0.08
Pro forma	$0.08

The fair values of options included in the pro forma amounts presented above, have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows:

Dividend yield	0%
Average risk free interest rate	4.04%
Expected volatility	65%
Expected life of options	3 years

Net income or loss per share was calculated on the basis of the weighted average number of shares outstanding for the year. The weighted average number of shares outstanding at September 30 for, 2003, 2002 and 2001 was 67,011,765, 65,652,998 and 65,542,943, respectively.

Diluted net income per share reflects the dilutive effect of the exercise of stock options outstanding as at year end. The effect of stock options on the net loss per share in 2001 was not reflected as to do so would be anti dilutive. The number of shares for the diluted net income per share calculation for 2003 and 2002 were 67,634,896 and 66,926,114 respectively.

11. Income Taxes

	2003	2002	2001
Reconciliation			
Combined basic rate	40%	40%	40%
Income (loss) from operations	5,533,152	184,990	($2,822,876)
Income tax recovery at basic rate	2,213,261	73,996	(1,129,150)
Change in valuation allowance	(2,448,966)	6,228	1,116,563
Other	235,705	(80,224)	12,587
Tax expense per consolidated financial statements	-	-	-

Future income tax assets			
Tax losses carried forward	5,283,133	4,667,921	2,532,076
Inventory	382,169	413,769	456,036
Mineral properties	1,124,872	1,472,807	1,444,766
Deferred revenue	863,575	3,149,145	4,815,913
Other	--	--	448,623
	7,653,749	9,703,642	9,697,414
Future income tax liability			
Capital assets	(1,215,287)	(881,176)	(881,176)
Valuation allowance	(6,438,462)	(8,822,466)	(8,816,238)
Net future income taxes	-	-	-

Non-capital loss carry forwards for Canadian tax purposes of approximately $2,386,693 expire from 2004. For U.S. income tax purposes, loss carry forwards of approximately $11,022,815 begin to expire in 2015 unless utilized.

12. Segmented Information

a. Geographic information

	2003	2002	2001
Revenue			
United States	$12,550,018	$6,830,137	$809,763
	$12,550,018	$6,830,137	$809,763
Net loss			
Canada	($174,372)	($192,922)	($189,151)
United States	6,065,195	446,697	(2,440,296)
Mongolia	(357,671)	(68,785)	(193,429)
	$5,533,152	$184,990	($2,822,876)
Total assets			
Canada	$465,510	$71,657	$49,080
United States	23,047,594	31,656,351	35,873,177
Mongolia	2,103,148	651,262	95,198
	$25,616,252	$32,379,270	$36,017,455

b. Major Customers

The Company's business is such that, at any given time, it sells its uranium and vanadium concentrates to and enters into process milling arrangements with a relatively small number of customers. During fiscal 2003, 2002 and 2001, a process milling customer accounted for approximately 89%, 100% and

80% of total revenues, respectively. Accounts receivable from any individual customer will exceed 10% of total accounts receivable on a regular basis.

13. Related Party Transactions

a. During the year ended September 30, 2003, the Company incurred legal fees of $45,847 with a law firm of which a partner is a director of the Company. Legal fees incurred with this law firm were $10,960 for the year ended September 30, 2002 and $8,402 for the year ended September 30, 2001.

b. During each of the years ended September 30, 2003, 2002 and 2001, the Company incurred management and administrative service fees of $90,000 with a company owned by the Chairman of the Company, which provides investor relations, office premises, secretarial and other services in Vancouver. Amounts due to this company were nil as of September 30, 2003 (2002 – $7,500).

c. During the period ended September 30, 1997, the Company loaned $200,000 to an officer of the Company in order to facilitate relocation to the Company headquarters. The loan was forgiven on September 30, 2002. The loan was non-interest bearing and was collateralized by the officer's personal residence.

d. During the year ended September 30, 2003, the Company provided mine reclamation management and engineering support services of $135,017 on a cost plus basis to a company with common directors. Amounts due from this company were $92,426 as of September 30, 2003.

14. Contingency and Commitments

As mentioned in previous reports, the Company had detected some chloroform contamination at the Mill site that appeared to have resulted from the operation of a temporary laboratory facility that was located at the site prior to and during the construction of the Mill facility, and septic drain fields that were used for laboratory and sanitary wastes prior to construction of the Mill's tailings cells. In April 2003, the Company commenced an interim remedial program of pumping the chloroform-contaminated water from the groundwater to the Mill's tailings cells. This will enable the Company to begin clean up of the contaminated areas and to take a further step towards resolution of this outstanding issue. Although the investigations to date indicate that this contamination appears to be contained in a manageable area, the scope and costs of final remediation have not yet been determined and could be significant.

The Company is required to comply with environmental protection laws and regulations and permitting requirements, and the Company anticipates that it will be required to continue to do so in the future. Although the Company believes that its operations are in compliance, in all material respects, with all relevant permits, licenses and regulations involving worker health and safety as well as the environment, the historical trend toward stricter environmental regulation may continue. The uranium industry is subject to not only the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The possibility of more stringent regulations exists in the area of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining and milling sites, and other environmental matters, each of which could have a material adverse effect on the costs of reclamation or the viability of the operations.

The Company has committed to payments under operating leases for the rental of office space and office equipment. The future minimum lease payments over the next five years are as follows:

2003	$109,198
2004	$111,377
2005	$70,824
2006	$12,276
2007	$9,207

The company's mineral property commitments are described in Note 17.

15. Financial Instruments

a. Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, short-term investments, accounts receivable, amounts due from the Urizon Joint Venture, and restricted fixed income securities. The Company deposits cash and cash equivalents with financial institutions it believes to be creditworthy, principally in money market funds, which may at certain times exceed federally insured levels. The Company's investments consist of investments in U.S. government bonds, commercial paper and high-grade corporate bonds with maturities extending beyond 90 days. The Company's accounts receivable are derived from customers primarily located in the United States. The Company performs ongoing credit evaluation of its customers' financial condition and, in most cases, requires no collateral from its customers. The Company will maintain an allowance for doubtful accounts receivable in those cases where the expected collectability of accounts receivable is in question.

At September 30, 2003, one processing milling customer accounted for 44% of accounts receivable. At September 30, 2002, the same processing milling customer accounted for 86% of accounts receivable.

b. Fair values

At September 30, 2003 and 2002, the fair values of cash and cash equivalents, trade and other receivables, and amounts due from the Urizon Joint Venture, approximate their carrying values because of the short-term nature of these instruments.

The fair value of the Company's short-term investments will fluctuate with market prices. At September 30, 2003, market value of these securities exceeded cost by $929,275.

The fair values of the Company's investments in U.S. government bonds, commercial paper, and corporate bonds, approximate carrying values. Notes receivable and notes payable are at market terms and accordingly, fair values approximate carrying values.

The fair value of cash and cash equivalents and fixed income securities classified as restricted investments approximates carrying values.

16. Differences Between Canadian and United States Accounting Principles

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") which differ in certain respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The tables below only address measurement differences between Canadian and U.S. GAAP.

Consolidated Balance Sheets

	2003	2002
Short-term investments		
Canadian basis	$1,089,960	$3,049,164
Unrealized gain on available for sale securities (d)	929,275	-
U.S. basis	$2,019,235	$3,049,164
Plant and equipment, net		
Canadian basis	$2,825,238	$3,363,253
Accumulated depreciation of assets held for resale (a)	223,234	223,234
U.S. basis	$3,048,472	$3,586,487
Mongolia mineral properties		
Canadian basis	$1,776,982	$538,897
Exploration expenditures (b)	(1,776,982)	(538,897)
U.S. basis	-	-
Share capital		
Canadian basis	$37,935,533	$37,466,609
Amalgamation (c)	(615,970)	(615,970)
U.S. basis	$37,319,563	$36,850,639

	2003	2002
Deficit		
Canadian basis	($27,811,037)	($33,344,189)
Amalgamation (c)	615,970	615,970
Exploration expenditures (b)	(1,776,982)	(538,897)
Accumulated depreciation of assets held for resale (a)	223,234	223,234
U.S. basis	($28,748,815)	($33,043,882)
Other Comprehensive Income – U.S. basis		
Unrealized gain on available for sale securities (d)	929,275	-

Consolidated Statements of Earnings

	2003	2002	2001
Net income (loss) under Canadian GAAP	$5,533,152	$184,990	($2,822,876)
Exploration expenditures (b)	(1,238,085)	(538,897)	-
Net income (loss) under U.S. GAAP	4,295,067	(353,907)	(2,822,876)
Unrealized gain on available for sale securities (d)	929,275	-	-
Comprehensive income (loss) under U.S. GAAP	$5,224,342	($353,907)	($2,822,876)
Basic and diluted net income (loss) per share, U.S. GAAP	$ 0.06	($ 0.01)	($ 0.04)

Consolidated Statements of Cash Flows

	2003	2002	2001
Cash (used in) provided by operations under Canadian GAAP	($4,396,379)	($1,743,091)	$3,737,884
Exploration expenditures (b)	(1,238,085)	(538,897)	-
Cash provided by (used in) operations under U.S. GAAP	($5,634,464)	($2,281,988)	$3,737,884
Cash provided by (used in) investing activities under Canadian GAAP	$1,148,438	$6,071,102	($13,016,359)
Exploration expenditures (b)	1,238,085	538,897	-
Cash provided by (used in) investing activities under U.S. GAAP	$2,386,523	$6,609,999	($13,016,359)

a. Under Canadian GAAP, the Company's surplus assets were depreciated in excess of net realizable value. Under U.S. GAAP, assets held for resale are recorded at the lower of cost or net realizable value and are not depreciated.

b. Mineral property exploration expenditures are accounted for in accordance with Canadian GAAP as disclosed in Note 2h. For U.S. GAAP purposes, the company expenses, as incurred, exploration expenditures relating to unproven mineral properties. When proven reserves are determined for a property, subsequent exploration and development costs of the property are capitalized. The capitalized costs of such properties would then be assessed periodically to ensure that the carrying value can be recovered on an undiscounted cash flow basis. If the carrying value cannot be recovered on this basis, the mineral properties would be written down to fair value.

c. Under Canadian GAAP, the amalgamation of the Company with Thornbury Capital Corporation in 1997 has been accounted for as an acquisition of Thornbury resulting in the recording of goodwill. Under U.S. GAAP, the transaction has been accounted for as a recapitalization whereby the net monetary assets of Thornbury would be recorded at fair value, except that no goodwill or other intangibles would be recorded. The goodwill recorded under Canadian GAAP has subsequently been written off. As a result, the deficit and share capital of the Company are both reduced under U.S. GAAP.

d. Under U.S. GAAP, securities that are available for sale are recorded at fair value and unrealized gains or losses are excluded from earnings and recorded as a separate component of shareholders' equity. Under Canadian GAAP, investments in marketable securities are carried at the lower of cost and estimated fair market value.

e. Canadian GAAP provides for investments in jointly controlled entities to be accounted for using proportionate consolidation. Under U.S. GAAP, investments in incorporated joint venture are to be accounted for using the equity method. Under an accommodation of the United States Securities and Exchange Commission, the accounting for joint venture need not be reconciled from Canadian to U.S. GAAP. The different accounting treatment affects only the display and classification of financial statement items and not net income or shareholders' equity.

f. In 2002, the CICA issued Section 3063, "Impairment of long-lived assets". This standard is effective for years beginning on or after April 1, 2003. This new Section provides guidance on the recognition, measurement and disclosure of the impairment of non monetary long-lived assets, including property, plant and equipment, intangible assets with finite useful lives, deferred pre-operating costs and long term prepaid assets. The Company does not expect that the implementation of this new standard will have a material impact on its consolidated financial position or results of operations.

The FASB has issued Interpretation No. 46, "Consolidation of Variable Interest Entities – an Interpretation of ARB No. 51 (FIN 46). The primary purpose of FIN 46 is to provide guidance on the identification of and financial reporting for, entities over which control is achieved through means other than voting rights. Such entities are known as Variable Interest Entities. FIN 46 is effective for the Company's 2004 year-end. A similar guideline has been introduced in Canada, Accounting Guideline 15 "Consolidation of Variable Interest Entities". This guideline applies to annual and interim periods beginning on or after November 1, 2004. The Company is continuing to evaluate the potential impact of FIN 46 and Accounting Guideline 15.

The CICA has released amendments to Section 3870, "Stock-based Compensation and Other Stock-based Payments," which require an expense to be recognized in financial statements for all forms of employee stock-based compensation, including stock options, effective for periods beginning on or after January 1, 2004, for public companies. The Company will be required to adopt the standard on October 1, 2004.

In July 2003, the CICA released Section 1100 "Generally Accepted Accounting Principles". This new Section establishes standards for financial reporting in accordance with generally accepted accounting principles. It describes what constitutes Canadian GAAP and its sources, replacing "Financial Statements Concepts" paragraphs 1000.59-61. Also in July 2003, the CICA released section 1400, "General Standards of Financial Statement Presentation". This Section clarifies what constitutes fair presentation in accordance with generally accepted accounting principles. Both these Sections are effective for fiscal years beginning on or after October 1, 2003 and the Company is currently evaluating their impact.

17. Subsequent events

During the first quarter of fiscal 2004, the Company signed a letter of intent to acquire a 75% interest in the Moore Lake project, a uranium exploration project in the southeastern sector of the Athabasca Basin of northern Saskatchewan. The Moore Lake project is being optioned from JNR Resources Inc. IUC has an option to earn up to a 75% interest in the property through aggregate expenditures and investments of Cdn $4.4 million over a period of 4 years. The first year expenditure requirement is Cdn $850,000. In addition, IUC has an option to acquire a 75% interest in the Lazy Edward Bay uranium property, located west of Moore Lake, through expenditures of Cdn $500,000 over a period of 2 years. In order to fund exploration work on this project, the Company has completed a private placement for 2 million flow through common shares at a price of Cdn $1.10 per share.

On December 16, 2003, the Company completed a private placement for 6.7 million common shares at a price of Cdn $1.50 per share. Net proceeds of the offering will be used towards uranium exploration in the Athabasca Basin of northern Saskatchewan as well as for general working capital purposes.

On January 8, 2004, the Company signed a letter of intent to acquire a 75% interest in the Crawford Lake uranium exploration project from Phelps Dodge Corporation of Canada, Limited. The property is located in the Athabasca Basin of northern Saskatchewan. Upon completion of the formal agreement and receipt of regulatory approvals, the Company will be able to earn up to a 75% interest in the property through expenditures of Cdn $2.5 million over a four year period. The first year expenditure requirement is Cdn $250,000 of which Cdn $150,000 is a firm commitment.

International Uranium Corporation
Corporate Directory

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President and
Chief Executive Officer

David C. Frydenlund
Vice President, General Counsel,
Chief Financial Officer, and
Corporate Secretary

Board of Directors
John H. Craig
Audit Committee
Compensation Committee
Corporate Governance and
Nominating Committee
Environment, Health, and Safety
Committee
Toronto, Ontario, Canada

David C. Frydenlund
Environment, Health, and Safety
Committee
Lone Tree, Colorado, USA

Ron F. Hochstein
Lakewood, Colorado, USA

Lukas H. Lundin
Chairman
Audit Committee
Corporate Governance and
Nominating Committee
Environment, Health, and Safety
Committee
Compensation Committee
Vancouver, BC, Canada

William A. Rand
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Compensation Committee
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Transfer Agent
Computershare Trust Company
of Canada
Toronto, Ontario, Canada
Vancouver, BC, Canada

Share Capital
Authorized: unlimited common shares
Issued and Outstanding: 68,970,066

Stock Exchange Listing
Toronto Stock Exchange
Trading Symbol: **IUC**

The Annual General Meeting will be held at the Corporation's Vancouver office, Suite 2101 – 885 West Georgia Street, Vancouver, BC, Canada on Tuesday, March 23, 2004, at the hour of 10:00 a.m. (Vancouver time).

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